

MEMORANDUM

To: Comment File - Climate Change Disclosures

From: Mika Morse, Policy Counsel to Chair Gary Gensler, U.S. Securities and Exchange Commission

Date: February 4, 2022

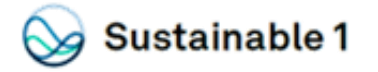
Re: Meeting with Representatives of S&P Global

On January 26, 2022, staff from the Chair's Office met telephonically with representatives of S&P Global, including the president of S&P Global Sustainable1, the global head of government affairs and public policy, and the head of government affairs and public policy for Europe, the Middle East, and Africa.

During the call, the representatives from S&P Global provided information about companies' costs of preparing voluntary reports in line with the Taskforce for Climate-related Financial Disclosures (TCFD), including disclosing their greenhouse gas (GHG) emissions.

During the meeting, the representatives from S&P Global presented estimated ranges of costs based on their experience working with corporations that voluntarily prepare TCFD reports, including GHG emissions disclosure. The S&P Global team followed up the meeting by sending the following attachment: "S&P Global Sustainable1 – Information on TCFD Disclosures," on February 4, 2022. (Attachment enclosed)

Information on TCFD Disclosure



01 February 2022

S&P Global Sustainable 1

For the attention of Mika Morse

01 February 2022

S&P Global

Note on Estimates and Pricing



- Please note that all figures provided are estimates and exact pricing may vary and depend on the scope of work required.
- Please note that all estimates reflect our current pricing (as of the date provided on slide 1) and is subject to change.
- More information can be found on our website at: <https://www.spglobal.com/esg/solutions/tcf-reporting>

S&P Global's TCFD Reporting Solution



- S&P Global's in-depth climate analytics and specialist support services inform every step of a company's TCFD reporting journey, from quantifying climate-related financial risks and opportunities to engaging with company stakeholders to turn metrics into action.
- Our approach to TCFD typically includes five steps:
 1. Quantify baseline carbon footprint
 2. Apply scenario analysis
 3. Identify opportunities
 4. Set targets
 5. Engage and report

S&P Global's TCFD Reporting Solution: Modules

- S&P Global's TCFD suite includes the following modules:

Benchmarking / gap assessment	Management interviews
Transition, policy risk analysis	Transition, market risk assessment
Transition, technology risk assessment	Transition, reputation risk assessment
Physical risk assessment	

Estimated Costs Associated with TCFD Reporting

- For a company which has not done any type of GHG analysis and is truly just starting out we would estimate the cost to involve:
 1. GHG footprints (assume scopes 1, 2, and 3): \$75,000-\$125,000;
 2. TCFD Suite: \$150,000-\$200,000; and
 3. Target setting add-on: \$20,000-\$30,000.

- This example would result in a total estimated cost of \$245,000-\$355,000 USD.

- The size of the company would not have a major impact on the cost as the cost is dependent on how much analysis a company needs performed by S&P Global.

Companies Which Have already Calculated Carbon Footprints & Targets

- For companies which have already calculated their carbon footprints and set targets but need help on TCFD, we can also provide an estimated cost range.
- Depending on which modules of transition and physical risk a company requests support with the cost could be a range of outcomes.
- We would estimate costs of between \$50,000 to upwards of \$200,000 in a typical example of this situation.
- We would estimate the average cost for such an example to be in the region of \$100,000.

Example of Potential Year-On-Year Costs of TCFD Reporting

- All Numbers are estimates and based on circumstances as outlined in each year:

<p>Year 1</p> <p>Assuming no prior TCFD reporting:</p> <ul style="list-style-type: none"> GHG footprints (assume scopes 1, 2, and 3): \$75,000-\$125,000 TCFD Suite: \$150,000-\$200,000 Target setting add-on: \$20,000-\$30,000 Total: \$245,000 USD-\$355,000 	<p>Year 2</p> <p>Assuming no material changes in scope 3 because company implementing changes and assuming no update of TCFD requirements:</p> <ul style="list-style-type: none"> GHG footprints (scopes 1 and 2): \$40,000 Total: \$40,000-\$75,000 USD
<p>Year 3</p> <p>Assuming material changes in scope 3 and need to update TCFD based on new science, projections, and business changes:</p> <ul style="list-style-type: none"> GHG footprints (assume scopes 1, 2, and 3): \$75,000-\$125,000 TCFD Suite: \$125,000-\$175,000 Total: \$200,000-\$300,000 USD 	<p>Year 4+</p> <p>Assume a repeat or variation of above depending on circumstances.</p>

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